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P 281507Z FEB 07
FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC PRIORITY 2652
INFO RUEHAC/AMEMBASSY ASUNCION 6585
RUEHBO/AMEMBASSY BOGOTA 3907
RUEHBR/AMEMBASSY BRASILIA 7794
RUEHBU/AMEMBASSY BUENOS AIRES 5038
RUEHCV/AMEMBASSY CARACAS 2274
RUEHPE/AMEMBASSY LIMA 2374
RUEHMD/AMEMBASSY MADRID 3341
RUEHMN/AMEMBASSY MONTEVIDEO 4441
RUEHQT/AMEMBASSY QUITO 4915
RUEHSG/AMEMBASSY SANTIAGO 9505
RUEHRC/USDA FAS WASHDC
RHMFIUU/HQ USSOUTHCOM MIAMI FL
RUMIAAA/USCINCSO MIAMI FL
RUEHUB/USINT HAVANA 0175
RHEHNSC/NSC WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS LA PAZ 000550

SIPDIS

SENSITIVE
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STATE FOR WHA/AND
TREASURY FOR SGOOCH
LIMA FOR USDA/FAS/EPHILHOWER

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SUBJECT: FOOT AND MOUTH OUTBREAK: VENEZUELA TO IMPORT
BOLIVIAN BEEF?

Summary

¶1. (SBU) The weakening of the institutional structure of Bolivia's animal health service (SENASAG) due to staff changes could endanger the progress that the U.S. Animal and Plant Health Service (APHIS) has made in combating animal and plant illnesses, and, in fact, may have already done so. An outbreak of foot and mouth disease was confirmed on January 26, halting beef, dairy, and pork exports to Peru, Ecuador, Colombia, and Brazil. APHIS staff told Econoff on February 8 that the outbreak was under control and had not affected the departments of Beni and Pando, where USDA funds have financed foot and mouth eradication efforts since 2001. On February 9, the press reported that the Venezuelan government plans to import 10,000 tons of Bolivian beef in 2007, beginning the week of February 12. However, it seems that such imports have been put on hold. President Morales was quoted in the press on February 24 promising to negotiate the export of beef to Venezuela to mitigate the damage to the sector caused by massive flooding, which has affected around one-third of the nation's cattle (reftel). End summary.

SENASAG -- Weakening of Institutional Structure

¶2. (SBU) The U.S. Animal and Plant Health Inspection Service (APHIS) has worked with SENASAG, Bolivia's APHIS-equivalent, for the past several years through U.S. Department of Agriculture (USDA) funding to promote the technical capacity of the organization. However, recently, the agriculture ministry replaced the technically, competent district directors for SENASAG with inexperienced, Movement Towards Socialism (MAS) party supporters in each of Bolivia's nine

departments. More than fifty SENASAG workers were replaced in January, after their contracts expired. Another forty percent of workers' contracts will expire in June, when the Inter-American Development Bank Foot and Mouth Disease Program loan expires. SENASAG officials told Econoff on February 5 that the government is seeking an extension of this loan, but APHIS officials are concerned that SENASAG workers may be replaced by technically unqualified staff or dismissed for lack of funding. These threats to the institutional structure of SENASAG could endanger the progress that APHIS has made in combating animal and plant illnesses, and, in fact, may have already done so.

Foot and Mouth Outbreak

¶3. (U) An outbreak of foot and mouth disease (FMD) was confirmed on January 26, and 26 cases were detected as of January 31 in Santa Cruz department, halting beef, dairy, and pork exports to Peru, Ecuador, Colombia, and Brazil. Exports of these products totaled USD 10 million in 2006, according to the press. The press reported on February 20 that exports would not be resumed for at least another six months, costing the cattle industry USD 8 million dollars. Santa Cruz Cattle Federation Manager Raul Anez attributed the outbreak in part to the relaxation of sanitary controls due to the labor instability of SENASAG staff because of political interference in the organization. APHIS staff told Econoff on February 8 that the outbreak was under control and had not affected the departments of Pando and Beni, where USDA funds have financed foot and mouth eradication efforts since 2001. In May 2005, Beni and Pando were certified as foot and mouth

free zones. Bolivia was poised to request nation-wide foot and mouth free certification in May 2007, which would have enabled it to expand exports to other countries, but the outbreak has delayed this process for at least two years.

Venezuela Offers to Import Bolivian Beef

¶4. (SBU) Neighboring Brazil sent veterinarians to Bolivia on February 8 to assist with outbreak containment and pledged to donate one million doses of FMD vaccine. On February 9, the press reported that the Venezuelan government would import 300 tons of Bolivian beef the week of February 12 to solve a beef shortage in Venezuela. The press indicated that Venezuelan President Hugo Chavez ordered the importation of 10,000 tons of Bolivian beef per year, beginning as soon as possible. An official from the Bolivian embassy in Caracas reportedly said that Venezuela would also import 7,500 tons of beans, chicken, and soy, while Bolivia would import material for plastic production, electric parts, agricultural machinery, and rum from Venezuela, with the goal of doubling the amount of trade between the two nations under the Bolivarian Alternative for America (ALBA) trade agreement among the two countries, Cuba, Nicaragua, and Ecuador. However, on February 20, the press reported that, according to the Cattle Federation, Venezuela had put the brakes on the importation of Bolivian beef, presumably after realizing that an FMD outbreak had occurred. President Morales was quoted in the press on February 24 promising to negotiate the export of beef to Venezuela to mitigate the damage to the sector caused by massive flooding, which has affected around one-third of the nation's cattle (reftel). Beni Prefect Ernesto Suarez told the Charge on February 26 that he did not believe such sales would pan out, but were mere GOB propaganda.

Comment

¶5. (SBU) While other neighboring countries offered Bolivia technical support to contain the recent foot and mouth

outbreak, Venezuela's offer to import beef seemed out of line, as it risked spreading the contagious disease. Despite public promises by Venezuelan and Bolivian government officials to facilitate Bolivian beef exports, Venezuela appears to have had second thoughts. This has been the pattern with much of the Venezuelan assistance announced for Bolivia -- the reality rarely lives up to the hype. End comment.

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